



Department of Energy

Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

November 30, 2018

Via Electronic Submission: <https://www.arb.ca.gov/lispub/comm/bclist.php>

Clerk of the Board
California Air Resources Board
1001 I Street
Sacramento, CA 95812

Dear Chairwoman Nichols and Members of the Air Resources Board:

The Bonneville Power Administration (BPA) appreciates the opportunity to comment on the November 15, 2018 modifications to the proposed amendments to the California Air Resource Board's (CARB) Mandatory Greenhouse Gas Reporting Regulation (MRR) and Cap and Trade Regulation. BPA's comments are limited in scope to the modifications to the regulatory language pertaining to the accounting for greenhouse gas (GHG) emissions associated with electricity imported through the California Independent System Operator (CAISO) Energy Imbalance Market (EIM).

BPA's October 22, 2018 comments expressed concerns that the proposed amendments would result in emissions attributable to EIM dispatch being accounted for twice for ACS specified source sales in the EIM: first in the ACS entity emission factor and again by placing a compliance obligation on the EIM Purchaser.

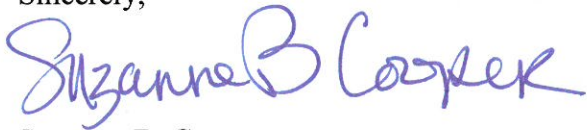
While BPA recognizes that the total potential for double counting in California is small today, BPA is concerned that this issue could become more significant should the number of ACS entities increase and/or as other states consider cap-and-trade programs that may link with California's program. States pursuing linkage with California's program would look to California to provide direction for how to accurately account for emissions for EIM imports. Application of this approach in a state such as Oregon where BPA meets approximately 30 percent of state electricity demand and has long-term contracts with 36 consumer-owned utilities, many of which purchase all of their power from BPA, would result in significant double-attribution of these emissions to BPA and its preference customers and increase costs to rate payers.

BPA continues to be supportive of CARB's efforts to better account for the carbon content of EIM imports into California, and urges CARB to continue working with the CAISO on a long-term solution to accurately account for carbon emissions associated with EIM secondary

dispatch. In the meantime, BPA requests that CARB provide further clarification on how emissions attributable to secondary dispatch in the EIM would be accounted for an ACS entity.

Please contact me if you have questions or need further clarification regarding BPA's comments.

Sincerely,

A handwritten signature in blue ink that reads "Suzanne B. Cooper". The signature is fluid and cursive, with the first name "Suzanne" being the most prominent part.

Suzanne B. Cooper
Vice President, Bulk Marketing